

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6739

BILL NUMBER: SB 162

NOTE PREPARED: Jan 26, 2006

BILL AMENDED: Jan 24, 2006

SUBJECT: Commercial Policyholder.

FIRST AUTHOR: Sen. Paul

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill defines "commercial policyholder" to include a business, nonprofit, or governmental entity that purchases a commercial policy. It removes certain requirements concerning exempt commercial policyholders. It changes reporting requirements for insurers concerning commercial policyholders. It also repeals a provision that requires an insurance company that insures a public entity as an exempt commercial policyholder to maintain a certain rating.

Effective Date: July 1, 2006.

Explanation of State Expenditures: (Revised) The bill will have minimal fiscal impact on the Department of Insurance (DOI).

Explanation of State Revenues: (Revised) Providing that certain entities will not have to file will have minimal fiscal impact on filing fees collected by the DOI. Fees are deposited into the DOI fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DOI.

Local Agencies Affected:

Information Sources: Carol Cutter, Deputy Commissioner for Health Issues, DOI, 232-5695; Cindy Donovan, Financial Division, 232-2408, DOI.

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.